



ILLINOIS COMMERCE COMMISSION

April 6, 2007

via CERTIFIED U.S. MAIL

John P. Ratnaswamy
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ILLINOIS
COMMERCE COMMISSION
2007 APR -9 A 10:57
CHIEF CLERK'S OFFICE
ms

Re: Illinois Commerce Commission Docket No. 07-0241

Dear Mr. Ratnaswamy:

A preliminary review of the petition for a general rate increase filed by The North Shore Gas Company ("Company") on March 9, 2007 has been completed. Pursuant to 83 Ill. Adm. Code 285.145, the Company shall provide a verified response with the information and clarifications described below.

The verified response shall be filed with the Office of the Chief Clerk of the Commission within 28 days from receipt of this letter. Six copies shall also be provided by that date; with two sent to us in Chicago, and one each to Ms. Joy Nicdao-Cuyugan, Ms. Mary Selvaggio, Ms. Dianna Hathhorn, and Mr. Steve Hickey, all members of the Staff of the Commission in Springfield.

Unless otherwise noted, all section references below are to 83 Ill. Adm. Code Part 285.

Section 285.3068 Schedule C-6.2: Expenses for Outside Professional Services

The Company did not provide the information in Column (B) required by Section 285.3068 b) for the test year jurisdictional pro forma at proposed rates.

Section 285.4010(b) (2) - Capital Structure Objectives

The Company refers to the direct testimony of Brad Johnson, which does not fully describe the Company's capital structure objectives. The Company needs to explain its capital structure objectives more fully. Further, the Company has not stated whether it has conducted a study of those objectives, and if so, has not provided a copy of that study. The Company should be directed to state whether it has conducted a study of its capital structure objectives and provide a copy of such studies.

Mr. John P. Ratnaswamy
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Sincerely,



David Gilbert
Administrative Law Judge
Illinois Commerce Commission



Eve Moran
Administrative Law Judge
Illinois Commerce Commission

cc: Elizabeth Rolando, ICC Chief Clerk
Gene Beyer, Bureau Chief – ICC Bureau of Public Utilities
Joy Nicdao-Cuyugan, Director- ICC Financial Analysis Division
Mary Salvaggio, Manager- ICC Accounting Department
Dianna Hathhorn, ICC Staff Case Manager
Steve Hickey, ICC Administrative Law Judges Division